400 Texas Street, Suite 1400 Shreveport, LA 71101

> Firm: 318.221.6858 Fax: 318.227.2967 Web: www.bwor.com

May 23, 2007

Mailing Address: P.O. Drawer 1126 Shreveport, LA 71163-1126

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217
Email: tallen@bwor.com

RE:

HEARING APPLICATION
Haynesville Zone, Reservoir A
Cotton Valley Zone, Reservoir A
Johnson Branch Field
Caddo Parish, Louisiana
Our File No. 230765,0099

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Haynesville Zone, Reservoir A and Cotton Valley Zone, Reservoir A, in the Johnson Branch Field, Caddo Parish, Louisiana:

- 1. To establish rules and regulations and create a single drilling and production unit (to be designated as HA RA SUA) for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Johnson Branch Field, Caddo Parish, Louisiana, as shown on the plat attached hereto.
- 2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within the proposed HA RA SUA, with allocation of production from the unit well to the tracts within such unit to be on the basis of surface acreage.
- 3. To designate the Chesapeake Operating, Inc. SRLT 29 No. 1 Well, at the location shown on the plat attached hereto as the unit well for the proposed HA RA SUA and to designate Chesapeake Operating, Inc. as the operator of said unit.
- 4. To redefine the Cotton Valley Zone, Reservoir A in the Johnson Branch Field, Caddo Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS TO CV RA SUN, as shown on the plat attached hereto, as that gas and condensate bearing interval between the depths of 8,535 feet and 10,910 feet (electric log measurements) in the Chesapeake Operating, Inc. SRLT 29 No. 1 Well located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana;
- 5. Except to the extent contrary herewith, to confirm and continue CV RA SUN in full force and effect.
- 6. To permit the Applicant to drill, designate and utilize its SRLT 29 No. 2 Well as an alternate unit well for HA RA SUA and CV RA SUN, at the location shown on the plats attached hereto;
- 7. To provide that future wells drilled to the Haynesville Zone, Reservoir A, in the Johnson

Commissioner of Conservation May 23, 2007 Page 2

Branch Field, should be located in accordance with Statewide Order No. 29-E; and

- 8. To extend the provisions of Office of Conservation Order No. 994-1, effective September 27, 2006, to include the Haynesville Formation, Reservoir A, and HA RA SUA; and
- 9. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Zone, Reservoir A, in the Johnson Branch Field, was renamed and redefined in Office of Conservation Order No. 994-A-1, effective September 27, 2006, and shall be further redefined as set forth above.

The Haynesville Zone, Reservoir A, in the Johnson Branch Field, is hereby defined as that gas and condensate bearing interval encountered between the depths of at 10.910 feet and 11.487 feet (electric log measurements), in the Chesapeake Operating, Inc. -SRLT 29 No. 1 Well located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71163-1126. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

By Pre-Application Notice dated May 4, 2007, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a Pre-Application Conference, and accordingly, no conference was held.

A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII:kmw Enclosures

Wm. Timothy Allen III Attorneys for Chesapeake Operating, Inc.

Mr. James C. Broussard, Shreveport cc:

District Manager (w/enclosures)

Interested Owners, Represented Parties cc:

and Interested Parties (w/copy of plats only)



